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Name(*)

Joslyn Bantilan

Phone (*)

8085546754

Email (*)

mito@awlaw.com

Meeting Date (*)

2015-04-29

Council/PH Committee (*)

Budget

Agenda Item (*)

Bill 24

Your position on the matter (*)

Oppose

Representing (*)

Organization

Organization

EAN Holdings

Do you wish to speak at the

hearing? (*)

Yes

Written Testimony

Testimony Attachment

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Testimony of Joslyn Bantilan for Enterprise Holdings, LLC

DATE: April 28, 2015

Councilmember Ann Kobayashi, Chair, Committee on Budget,

City and County Council of Honolulu

Bill 24, Proposed CD1 – Relating to Car Sharing Hearing Date: Wednesday, April 29, 2015 at 9 a.m.

Dear Chair Kobayashi and Members of the Committee on Budget:

I am Joslyn Bantilan, sales executive for the car sharing division of EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent A Car, National Car Rental, Enterprise CarShare and Enterprise RideShare (Van Pool) (collectively referred to as "Enterprise").

While Enterprise supports the concept of car sharing and is already operating a car sharing program at the University of Hawaii and several locations throughout the City, Enterprise **opposes** Bill 24 proposed CD1 because it overtly discriminates between the different models of car sharing.

Our biggest concern is that Bill 24 Proposed CD1 proposes an annual fee of \$1,500 for reserved stalls versus \$1,000 for free floating decals. While reserved stall car sharing and free floating car sharing models differ slightly, they appeal to the same basic customer. If one model has a lower fee, the City will be giving one business model a distinct competitive advantage over the other. The difference is the fee is significant when applied across a fleet of cars. We believe that this is contrary to the basic principle that a City ordinance cannot favor one business over another.

Enterprise strongly believes that such a difference is inequitable, and that the only way for a car share program to be a fair use of City property is to make the fee for the two models the same. Other jurisdictions have treated both car sharing models equally. For example, in a February 2015 RFP from the City of Boston, traditional car sharing model annual fees were set at \$2700-\$3500 per stall (depending on location), while free floating permits were set at \$3500. There was an equal discount for both models when zero emission vehicles are used, but the key concept is that the fee was the same for both models.

Enterprise also believes that there are problems with other parts of the Proposed CD1, which essentially discriminates against the traditional car sharing model. First, the bill allows free floating permits to use on-street parking, where there is visibility and marketing value, but requires the traditional model to use off street parking. In addition, the bill also allows for free floating cars to remain in stalls for up to 24 hours at a time, but it is unclear how this would ever be monitored or enforced. Another problem with the bill is that it does not require car share companies to maintain any private parking spaces in conjunction with the use of city parking stalls, nor does it specify where the free floating stalls will be located.

Further, the bill proposes that the free floating model provide data at the end of the year to show actual use of the stalls, and provides discretion to the director to determine whether the vehicle overused parking privileges and should reimburse the City. This mechanism relies entirely on self-reporting -- it would be difficult to enforce, and would give the free floating model an upfront advantage over the traditional car share model.

At the end of the day, the car sharing models are very similar in their usage of parking spaces and should be treated equally. In February 2015, the City of San Diego released a summary report of the city's 2011-2014 car share pilot program. Over the two and a half year pilot, the city's data showed that free floating cars used in the car share program were on the road for an average of an hour or less per day. This means that these cars occupied on-street parking stalls for the rest of the day. If the San Diego statistics are any indication, the City would receive a less favorable return on free-floating parking spaces compared to reserved parking stalls, while the two models would occupy city parking stalls for virtually the same number of hours.

For the above reasons, we urge the Committee to address our concerns raised regarding the fees and the other impacts the bill would have as currently written. Thank you for the opportunity to submit testimony on this measure.